**Attachment D**

**Energy Efficiency & Conservation Strategy for Units of Local Governments & Indian Tribes**

As detailed in Part 1 of this announcement, all applicants must submit an Energy Efficiency and Conservation Strategy (EECS). Units of local government and Indian tribes have the option of submitting the EECS no later than 120 days after the effective date of the award or at the time of application. Units of local government and Indian tribes who chose to submit the EECS at the time of application shall use the format contained in Attachment D. This form should be saved in a file named "UIC-Strategy.pdf" and click on "Add Optional Other Attachment" to attach.

Grantee: Lexington-Fayette Urban County Government Date: 06/19/2009
DUNS #: 02-042-8777 Program Contact Email: tomw@lfucg.com

**1. Describe your government's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measureable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECBG Program. These goals and objectives should be comprehensive and maximize benefits community-wide. Provide a schedule or timetable for major milestones. If your government has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.**

The Lexington-Fayette Urban County Government (LFUCG) is a merged city county government which represents all 270,789 residents of the county. Lexington-Fayette County's strategy focuses on: (1) Improving energy efficiency of city-owned buildings and (2) reducing energy usage in our community as a whole. The initiative to improve energy efficiency in city-owned buildings is being titled Lexington's *Lead by Example* initiative. The community-wide energy improvement initiatives are being done under the banner of *Empower Lexington*. Both of these activities complement existing efforts, which are described below, and we believe our current efforts will benefit greatly from the "formula" grant funds.

The City of Lexington signed the US Mayors' Climate Protection Agreement in 2005 and in February of 2008 joined the International Council of Local Environmental Initiatives (ICLEI). We are currently participating in the ICLEI Cities for Climate Protection Program and we recently completed our inventory of 2007 emissions using the ICLEI Clean Air and Climate Protection software. This initial inventory showed our community-wide CO2 emissions totaled 4,038,804 metric tons in 2007 with residential energy use (35%), transportation (34%) and commercial buildings (30%) being the largest contributors to our community's carbon footprint. Local government emissions totaled 105,527 metric tons in 2007, roughly 2.6% of the community total. We recently formed a Team to develop our Local Action Plan, a key part of the CCP program, and will be setting a reduction goal in the near future.

Additionally, in July of 2007 the Department of Environmental Quality was created to allow the LFUCG to better focus on environmental issues. As part of this organizational change, a new division, Environmental Policy, was subsequently created within the Department of Environmental Quality. The Division of Environmental Policy is tasked with responsibility for both climate protection and energy efficiency so that both of these closely related issues are now under one umbrella. To help carry out these responsibilities, the new position of Energy Program Manager was established in the Division of Environmental Policy and our (first) Energy Program Manager joined the LFUCG in May of this year. We anticipate the Energy Program Manager will be a key resource for implementing our Strategy, particularly in regards to improving government-owned buildings.

Also Mayor Jim Newberry signed Executive Order 2009-4 on Earth Day 2009, promoting local sustainability initiatives. This Executive Order contained several commitments to energy efficiency including a commitment to buy ENERGY STAR rated equipment, a commitment to construct LEED certified buildings when we build large buildings, and a commitment to participate in the EPA ENERGY STAR Challenge to reduce energy usage by 10% at city-owned buildings.

Finally we have had a government-wide Energy Management Team in place since 2003, have a written Energy Management policy, and are an ENERGY STAR partner and a Rebuild America Partner.

The EECBG funding will help us obtain the programmatic tools, such as energy tracking software, we need to become more energy efficient as a government and as a community. Also we plan to use a portion of our formula funds as "seed money" to establish a dedicated energy fund for LFUCG facilities. Energy savings that result from these energy improvements would then be reinvested in additional energy improvements. The balance of the EECBG money would be used for community projects that we believe have the potential to truly transform our community.

Both the *Lead by Example* initiative and the *Empower Lexington* initiative are described in more detail below. In developing our Strategy, we worked to ensure the projects being proposed under both of these initiatives have as many of the following attributes as possible.

- Energy related
- Create or retain jobs
- Visible
- Sustainable
- Address long standing needs
- Complement current efforts
- Educational/informative
- Transformative
- Leverage other funds
- Quantifiable/measurable

***Lead by Example***

Local Government Buildings

Lexington-Fayette County owns or leases approximately 4 million square feet of building space and spends roughly 11 million dollars each year on utilities. Like many municipalities, many of our buildings are older and not very energy efficient.

Lexington-Fayette County plans to use EECBG funds to improve the way we manage our energy usage and also to implement energy improvements at city-owned buildings which aligns with the eligible activity, "Energy Efficiency Retrofits." **The overall goal is to reduce government-wide energy usage in our buildings by 10%.**

This initiative is multifaceted in that it will allow us to track and manage our energy usage, benchmark our buildings, improve our existing building stock, lower our energy usage and energy costs, reduce CO2 emissions (nearly all electricity in Fayette County is provided by coal-fired power plants), create a better work environment for employees which will increase productivity, promote the use of renewable energy technologies locally, and (lastly) serve to demonstrate that our local government is setting an example for others to emulate.

To achieve these goals the LFUCG is proposing the following specific measures which will be accomplished in the timeframe indicated below.

- Voluntarily sign up (within 3 months of award) to participate in the EPA ENERGY STAR Challenge to reduce energy usage at LFUCG facilities by 10%;
- Purchase robust energy management software to track utilities and to help us create a baseline our buildings (within 6 months of award);
- Establish a baseline for our 25 largest buildings using the energy management software referenced above (within 12 months of award);
- Purchase metering/diagnostic tools to help us evaluate our facilities (within 6 months of award);
- EECBG funds would be used as seed money to establish a dedicated energy fund (within 6 months of award) to upgrade LFUCG buildings and energy savings would be earmarked to help fund future improvements;
- Evaluate energy efficiency opportunities for LFUCG buildings/operations (focusing on largest buildings/energy users) and select the most attractive (optimum) energy efficiency opportunities for implementation with a goal of employing renewable energy where practical (within 12 months of award);
- Begin implementing energy efficiency projects chosen through the steps above (within 18 months of award);
- Complete the chosen energy efficiency projects (within 36 months of award) and;
- Report results to community and DOE (within 36 months of award)

***Empower Lexington***

This community-wide initiative is also multifaceted. In addition to creating a more energy efficient and sustainable community, it will improve public health, improve our energy independence by reducing our dependence on foreign oil, reduce our carbon footprint, and lower our energy usage and energy costs.

To make Lexington more energy efficient we have identified specific community-wide projects that we plan to implement in the areas of transportation, buildings, and material conservation. All of these projects are energy-related and (we believe) will significantly benefit Lexington-Fayette County. Since the projects are described in detail in the project work sheets, the description of specific projects has been shortened for brevity.

Transportation

Intelligent Transportation System

The LFUCG Division of Traffic Engineering will use a portion of the Energy Efficiency and Conservation Block Grant (EECBG) direct formula funding to assist in making measurable improvements in traffic signal system operations and efficiency, including the implementation of Intelligent Transportation System strategies to impact all modes of transportation using Fayette County roadways except for interstate traffic. These proposed activities are designated as eligible activities for the Department of Energy EECBG funding under the category of "Development and Implementation of Transportation Programs" and will help us address one of the largest contributors to our community's energy footprint- transportation. They align well with U.S. Department of Transportation goals and objectives and the Intelligent Transportation Systems Strategic Plan. In addition, they compliment Kentucky Transportation Cabinet and Lexington Area Metropolitan Planning Organization congestion management efforts.

Proposed steps include modernizing the antiquated traffic signal system software, implementing more advanced signal controllers to improve operations, accommodate increasing traffic volumes, and more reliable reporting of traffic incidents and congested traffic conditions.

This activity will reduce the number of vehicle stops and delays, fuel consumption, and travel times thereby conserving energy and reducing harmful air pollutants and greenhouse gas (GHG) emissions. In general, it will provide Lexington with a state-of-the-art traffic management system for the next ten years, sustaining benefits well beyond the EECBG funding period.

Similar efforts across the U.S. and Canada have shown the optimization of traffic signal timing and upgrade of traffic signal equipment reduces travel time and delay as much as 20% and provides fuel consumption savings by as

much as 15%. Based on the vehicle miles travelled and the delays encountered during commutes, it is anticipated that a daily time savings of 12,482 hours will be realized by the public and an annual fuel savings of 6.6 million gallons per year realized. Additionally, the EPA states a gallon of gasoline when burned is assumed to produce 19.4 pounds of CO2, meaning we should realize a carbon reduction of 77,711 metric tons.

It is anticipated the proposed improvements will be in place within 12 months of award.

Community Bike Program

The shared community bike program will place approximately 10 bike stations and 60 bikes around downtown and other key points and provide staff to maintain the bike fleet. These bike stations would have automated check-out systems, requiring credit card authorizations prior to use of the bikes. This will minimize loss and theft and would help ensure the bikes are returned to a station when the user is finished, increasing availability. Successful bike sharing programs from around the world have utilized this approach.

Based on similar bike-sharing programs in other cities around the world, it is believed that each bike will be used at least 5 times per day, averaging 3 miles per trip (or 6 miles roundtrip). This results in 1800 miles per day of bike riding. The bikes will be used 250 days per year (not used during cold weather months November 15 thru March 15). This equals 450,000 miles per year of community bike riding. Assuming an average vehicle fuel economy of 21.5 miles per gallon, this equates to 20,930 gallons of fuel saved annually and a CO2 reduction of 184 metric tons annually using the EPA conversion factor of 19.4 pounds of CO2 per gallon of gasoline burned. This project will also help us address one of the largest contributors to our community energy footprint- transportation.

An additional benefit of the bike check-out system that would be implemented during this project is its high level of technology. The system is equipped to automatically calculate information such as distance traveled by each user, the equivalent calories burned and the carbon offset after each ride. This data will provide valuable feedback to evaluate the success of the program.

As to the proposed implementation schedule, we anticipate the bikes and stations would be purchased within 6 months of award and the program operational within 12 months of award.

Community Buildings

Building Energy Conservation

These activities would focus on educating the community on the benefits of becoming more energy efficient and providing residents and businesses with the tools to reduce energy usage. These activities would fall under the eligible activities "Energy Efficiency and Conservation Programs for Buildings and Facilities" and "Energy Efficiency Retrofits."

First, we are proposing to hire a community Energy Advisor for the duration of the 36 month grant period within six months of award. This Energy Advisor would educate businesses and residents on the benefits of becoming more energy efficient, provide information on available tax incentives, provide education on performance contracting, and help residents and business owners navigate through and take full advantage of utility demand side management programs which have seen a significant increase in funding within Kentucky recently. We are also proposing to hire an intern for the 3 year life of the award and purchase educational materials and supplies to assist the Energy Advisor in public education efforts.

Additionally we plan to host innovative software on the LFUCG webpage that would allow residents and businesses to track and manage their utilities, compare their buildings to their peers (i.e. benchmark their buildings), facilitate submission of results to the EPA ENERGY STAR program for recognition, and calculate their carbon footprint at no cost to the user. It should be noted that the software we anticipate using (Good Stewards GreenQuest) is more capable than typical calculators, adjusting for variables such as degree days and allowing the user to track trends. Additionally, this software would also allow the LFUCG to quantify community energy/carbon reductions. GreenQuest could also be used to track energy usage at homes being "weatherized" locally through Community Development Block Grant programs or other programs. Acquisition of this software and creation of the host webpage will be done within 12 months of award.

We also plan to use a portion of the EECBG funds to implement a new program, Energizing the Arts, to reduce energy usage at nonprofit arts venues through lighting upgrades, etc. To access these funds, facilities would need to agree to participate in the ENERGY STAR Challenge and commit to reducing energy usage by 10%. They would also have to agree to have a utility audit performed by their utility provider, to track their progress using GreenQuest, and agree to allow their improvements to be used as a model (educational) project for the community. We have several local arts facilities willing to commit to this process so we anticipate we will begin this work within 18 months of award and complete this work within 36 months of award.

We are proposing to also use a portion of the funds for an EXIT sign change-out. Under this activity we would provide energy efficient LED EXIT signs to

non-profit organizations so that they could replace their older (less-efficient) EXIT signs. The LFUCG would use our "buying power" to buy in bulk and reduce the cost of the signs. As to milestones, this would be done within 24 months of award.

Finally we are proposing to provide education by hosting workshop(s) on the benefits of green (vegetated) roofs. Lexington does not have any vegetated roofs at this time, and this initiative will be targeted at educating building owners and operators on the advantages of green roofs (to include potential reductions in energy usage) with the goal of promoting the employment of green roofs in Fayette County. This workshop will be held within 18 months of award.

Material Conservation

Downtown Compactors

This proposed activity is also in line with eligible EECBG category "Material Conservation." This initiative would purchase and place two compactors in the downtown area to serve businesses (primarily restaurants) in the Cheapside area. One compactor would be used to compact recyclables and the other to compact waste.

Currently this area is served primarily through 90-gallon individual waste containers ("Herbies") which are collected every day by our Division of Waste Management. Due to lack of space, many businesses currently do not recycle in this area.

These compactors will reduce the frequency of collection as many of these businesses have already agreed in principle to carry/cart their waste to one of these two proposed compactors, where it will be compacted to reduce volume.

Reducing the frequency of pickups results in fewer miles driven by our Waste Management vehicles and less idling which conserves energy and resources.

Additionally it will promote recycling by providing an efficient recycling mechanism for area businesses plus it will minimize the number of trash containers in this area. In addition to helping address a long standing need in this area, we anticipate the number of compactors will be increased once it becomes apparent how successful this initiative is.

As to milestones, we plan on buying and installing the compactors within 12 months. When purchasing these compactors, we will purchase energy efficient compactors and we also plan on evaluating the practicality of using solar photovoltaic (PV) cells to help power the compactors.

Recycling at Parks and Special Events

This initiative would purchase three mobile compartmentalized recycling trailers and four stationary recycling containers to facilitate recycling in our parks as well as two enclosed trailers that would be used for distribution of temporary "clear stream" recycling containers. These would be used to facilitate recycling in our parks and during special events. It supports our goal of reducing energy used by the waste sector.

This initiative will help increase recycling in parks and during special events (such as the July 4 parade), which will reduce energy used. As an example, it takes 97% less energy to manufacture an aluminum can from recycled aluminum cans than from virgin materials. In regards to scheduling, we plan on buying this equipment within 12 months.

**2. Describe your government's proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy's goals/objectives.**

As mentioned previously, Lexington-Fayette County's Strategy focuses on improving energy efficiency of city-owned buildings (*Lead by Example* initiative) and reducing energy usage in our community as a whole (*Empower Lexington*). Activities proposed to be undertaken under each of these two initiatives were described in some detail in the first question and in the Project Activity Sheets in Attachment B1 as are proposed implementation schedules, so our response to this question focuses on describing the amount of EECBG funding we plan to obligate for each proposed activity as well as how the activity supports the goals we outlined in question #1.

***Lead by Example*** (total 3 year EECBG cost $1,292,800)

Local Government Buildings

Lexington-Fayette County plans to use a total of $1,292,800 to establish a robust energy management program for government-owned buildings. These funds will be used to purchase diagnostic tools ($35,000), and energy tracking software ($145,000), and as seed money for establishing a dedicated energy fund for LFUCG facilities ($1,112,800) to help us make our 4 million square feet of building space more energy efficient through lighting improvements, HVAC improvements, etc. Please note that we are not identifying specific building improvements at this time- the improvements will be identified through use of energy management software and through building audits by our Energy Program Manager. The purchase of energy tracking software and diagnostic tools is described in Activity Worksheet #1 ("Energy Management Technology") while the dedicated retrofit fund for

LFUCG buildings is described on Activity Worksheet #2 ("Government Energy Retrofits").

The proposed activities are supportive of our goals to reduce energy usage and our carbon footprint, since we use approximately 588,916 million BTUs at our buildings annually. These activities will be key to meeting our goal of reducing the energy usage at our facilities by 10%. By definition, a BTU (British Thermal Unit) is defined as the amount of heat required to raise the temperature of one pound of liquid water by one degree from 60°F to 61°F at a constant pressure of one atmosphere.

In terms of job creation, using the DOE recommended figure of one job retained/created for each $92,000 expended results in a conservative job creation estimate of 14 jobs based on total project cost. However if you consider the fact that we spend 11 million dollars per year on utilities and we may be able to reduce our utility bills by 10% through better energy management, this could eventually result in additional savings of roughly one million dollars per year. Using the same $92,000 per job factor, this could result in the creation of 11 additional jobs.

***Empower Lexington*** (total 3 year EECBG cost $1,461,000)

Transportation

Intelligent Traffic Signal Software Upgrade (3 year EECBG cost $500,000)

This comprehensive strategy will reduce traffic delays and result in an annual fuel savings of 6,626,575 gallons per year. The requested $500,000 Department of Energy funding will be coordinated (leveraged) with transportation grant (public) funds of $375,000. This activity is supportive of our goals and will help us directly reduce one of the biggest contributors to our community's energy use and carbon footprint, as transportation accounts for 34% of our carbon footprint.

Using the DOE recommended figure of one job retained/created for each $92,000 expended results in a conservative job creation estimate of 9 jobs based on total project cost. However if you include the money saved on fuel ($16,566,437 at current cost of $2.50 per gallon) and use the same $92,000 per job factor, this could result in the creation of 180 additional jobs. This project is described on Activity Sheet #5, "Intelligent Transportation System."

Community Bike Program (3 year EECBG cost $175,000)
The shared community bike program will place approximately 10 bike stations and 60 bikes around downtown and other key points and provide staff to maintain the bike fleet. This is supportive of our goal of reducing energy used by the transportation sector.

Using the DOE recommended figure of one job retained/created for each $92,000 expended results in a conservative job creation estimate of 2.7 jobs based on total project cost. If you include the money saved on fuel ($52,325 at current cost of $2.50 per gallon) and use the same $92,000 per job factor, this could result in the creation of 0.6 additional jobs. This project is described on Activity Sheet #6, "Community Bike Program."

Buildings

Building Energy Conservation (3 year EECBG cost $636,000)
As mentioned above, these activities would focus on educating the community on the benefits of becoming more energy efficient and providing residents and businesses with the tools to reduce energy usage. All of the below activities are supportive of our goal to reduce energy usage of residential and commercial buildings since they are such large contributors to out energy and carbon footprints. Using the DOE recommended figure of one job retained/created for each $92,000 expended results in a conservative job creation estimate of 7 jobs based on total project cost.

First, we are proposing to contract with a qualified entity (such as an energy services provider or a qualified contractor) to provide a community Energy Advisor for the duration of the 36 month grant period at a projected cost of $75,000/year (total $225,000) to educate businesses and residents on the benefits of becoming more energy efficient. We are also proposing to hire an intern and purchase educational materials and supplies to assist the Energy Advisor in public education efforts at a total cost of $63,000. This activity is described on Activity Sheet #3, "Community Energy Awareness."

Additionally we are proposing to host innovative software on the LFUCG webpage that would allow residents and businesses to track and manage their utilities at a cost of $3,000 annually ($9,000 for the entire 36 month grant period). This activity is also described on Activity Sheet #3, "Community Energy Awareness."

We are also proposing to use a portion of the EECBG funds to implement a new program, Energizing the Arts, to reduce energy usage at Arts venues. This would be done through subgrants at a total 3 year project cost of $275,000. This project is described on Activity Sheet #4, "Community Energy Retrofits."

We are proposing to also use a portion of the funds to provide energy efficient LED EXIT signs to local non-profit organizations so that they could replace their older (less-efficient) incandescent EXIT signs. We are proposing to purchase approximately 1000 of these. This relatively straightforward measure can result in significant energy and labor savings. Using the EPA ENERGY STAR EXIT sign savings calculator shows installing these 1000 signs will result in a total energy savings of $154,880 and a total labor savings of $456,520 over a 10-year period. The total 3 year EECBG cost would be

approximately $39,000 to purchase these signs. This project is also described on Activity Sheet #4, "Community Energy Retrofits."

Finally we are proposing to provide education by hosting workshop(s) on the benefits of green (vegetated) roofs at a total 3 year cost of $25,000. This project is described on Activity Sheet #7, "Green Roof Education Program."

Material Conservation

Downtown Compactors (3 year EECBG cost $100,000)
This initiative would purchase and place two compactors in the downtown area to serve businesses (primarily restaurants) in the Cheapside area. It supports our goal of reducing energy used by the waste sector and transportation sector.

The entire amount of funding requested for this project, $100,000, will be spent on purchasing/installing the compactors. Using the DOE recommended figure of one job retained/created for each $92,000 expended results in a conservative job creation estimate of 1.1 job based on total project cost. This project is described on Activity Sheet #8, "Recycling Efficiency Program."

Recycling at Parks and Special Events (3 year EECBG cost $50,000)
This initiative would purchase three mobile compartmentalized recycling trailers (approximate cost $12,000 each) and four stationary recycling containers (approximate cost $1,500 each) to facilitate recycling in our parks as well as two enclosed trailers (approximate cost $4,000 each) that would be used for distribution of clear stream recycling containers. These would be used to facilitate recycling in our parks and during special events. It supports our goal of reducing energy used by the waste sector.

The entire amount of funding requested for this project, $50,000, will be spent on purchasing the described equipment. Using the DOE recommended figure of one job retained/created for each $92,000 expended results in a conservative job creation estimate of 0.5 jobs based on total project cost. This project is described on Activity Sheet #8, "Recycling Efficiency Program."

***Reallocation of Funds***
Should any activity proposed in our application not be accomplished due to unforeseen difficulties or be accomplished at a lesser cost than anticipated, we will use the remaining money to fund one or more of the other DOE approved activities proposed in this application.

**3. Describe how your government is taking into account the proposed implementation plans and activities for use of funds by adjacent units of local government that are grant recipients under the Program (response not mandatory for Indian Tribes).**

Within our area, there are only two adjacent units of local government that are scheduled to receive EECBG formula funds, contingent on submitting an approved energy strategy. The City of Frankfort, located approximately 30 miles west of Lexington in Franklin County, is scheduled to receive $132,100. The City of Richmond, located approximately 30 miles south of Lexington in Madison County, is scheduled to receive $145,600. Fayette County has made inquires of both Frankfort and Richmond concerning their planned use of these funds.

Frankfort has indicated they tentatively are planning to use their funds to educate the public on energy efficiency and to have energy audits performed at two buildings; any remaining funds would then be used to make energy improvements at these two buildings. It should be noted that Frankfort's approach is preliminary and subject to change, as they are electing not to submit their Energy Efficiency and Conservation Strategy with their application (i.e. they will be submitting their Strategy later within 120 days of award as allowed).

In regards to Richmond, they have indicated they tentatively plan on using their entire obligation of EECBG funds to replace a HVAC system at City Hall. At the time of our inquiry, they were unsure if they would be submitting their Strategy with their application or later (within 120 days of award) as allowed.

Lexington belongs to the 17 county Bluegrass Area Development District (as does Madison and Franklin Counties) and we strive to promote regional cooperation. Probably the best example of this regional cooperation is the fact that we processed over 1,800 tons of materials from surrounding counties through our recycling center last year. However we believe the potential to collaborate with Frankfort and Richmond on the use of EECBG funds as we develop our Strategy is minimal due to the amount of formula funding these two communities will receive under the EECBG, their distance from Lexington, their tentative plans to use their funding primarily for municipal building upgrades, and the fact that they have not yet finalized their respective EECBG Strategies.

**4. Describe how your government will coordinate and share information with the state in which you are located regarding activities carried out with grant funds to maximize energy efficiency and conservation benefits (response not mandatory for Indian Tribes)**

In regards to coordination, we have verbally communicated our proposed EECBG Strategy to representatives of the Kentucky Energy and Environmental Cabinet. It should be noted that the state of Kentucky is planning to use the bulk of their EECBG formula funds for weatherizing low income homes through the Clean Energy Corps. Although we are not proposing to use the EECBG funds obligated to Lexington in support of this weatherization effort, we do feel this effort is important and Lexington is proposing to use approximately $245,000 of Community Development Block Grant (CBDG) funds we are scheduled to receive through the ARRA to support the state's weatherization effort and another $310,000 in CBDG monies to fund the rehabilitation of low income homes.

We also have links to the Kentucky ARRA website posted on our website.

In regards to sharing information with the state, we will supply the Kentucky Energy and Environmental Cabinet with a copy of our completed application at time of submittal. We also will provide copies of relevant status reports we submit to the DOE to the Energy and Environmental Cabinet.

**5. Describe how this plan has been designed to ensure that it sustains benefits beyond the EECBG funding period.**

In developing our Strategy, we designed it so that our community will realize benefits well beyond the EECBG funding period. We did this by selecting activities which are transformative, build upon current efforts where possible, and will have the community support needed to sustain the project.

As proof, our Lead by Example initiative focuses heavily on providing the programmatic tools needed to allow us to continually improve energy efficiency at government-owned buildings. We will be acquiring the software needed to allow us to track and manage our utilities. We are also proposing to use EECBG funds as seed money with the resulting energy savings earmarked to fund future improvements.

As to the Empower Lexington community-wide projects, there are numerous examples. Under the Transportation umbrella, we anticipate implementation of the Intelligent Transportation System will result in an ongoing annual time savings of nearly 650,000 hours by the public and an annual fuel savings of 6,626,575 gallons per year due to minimizing traffic delays. Similarly we anticipate the community bike program will prove very popular and will likely grow, once it has proven successful.

In regards to Community Buildings, we are proposing to provide the community with programmatic tools needed for the community to become more energy efficient (similar to those proposed for government-owned buildings under our Lead by Example initiative). Examples include the proposed energy tracking software to benchmark buildings, a dedicated Energizing the Arts energy fund, purchase of LED EXIT signs which will continue to provide savings for years to come, and education on demand side management opportunities, tax incentives, and green roofs.

Finally the compactors being proposed under the Material Recovery category, will continue to operate long after the EECBG grant period ends and we believe will provide the impetus for placing additional compactors downtown.

**6. The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.**

Lexington has been the recipient of numerous grants over the years and has developed procedures to ensure that funds we receive are accounted for and spent for their intended purpose. The Division of Community Development is the governmental unit assigned to monitor expenditure and reporting of federal and state grant funds to ensure that these funds are used only for eligible activities and only as provided for in the approved grant applications. The Division of Community Development has responsibility for preparing financial reports for review by the Division of Accounting and submission of these reports in a timely manner. Community Development monitors for timely submission of programmatic reports and for compliance with other federal regulations. The Lexington-Fayette Urban County Government is also in compliance with OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Additionally we have a Division of Internal Audit that periodically audits our other divisions, with one of the main goals being to ensure divisions are using funds appropriately.

We have also created an ARRA Commission through Mayoral Executive Order 2009-2 to provide recommendations on stimulus funding Lexington may receive. This Commission is tasked with setting spending priorities in anticipation of receiving funds, and to use best practices to oversee the expenditure of such funds.

The Commission generally meets twice each month and the meetings are open to the public and are televised live on G-TV Channel 3 and streamed live over the internet at www.lexingtonky.gov

The Commission has a stated goal of "monitoring the expenditure of American Recovery and Reinvestment Act funds" and "developing a means by which the public can access information about the status of projects funded by the American Recovery and Reinvestment Act." To help achieve these goals we have already created a "Lexington at Work" webpage http://www.lexingtonky.gov/index.aspx?page=1736
that includes funding information, meeting minutes, related stimulus funding news releases, and links to the Kentucky ARRA website "Kentucky at Work."